



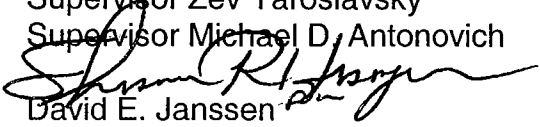
County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

August 23, 2004

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: 
David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

SACRAMENTO UPDATE

Pursuit of County Position on Legislation

AB 338 (Levine), as amended on August 17, 2004, would require the State Department of Transportation (Caltrans) to use increasing amounts of crumb rubber from waste tires in State highway, construction, and repair projects. Specifically, AB 338 requires the State to use not less than 20 percent crumb rubber, by ton, of the total amount of asphalt paving materials used, and increases this amount by 10 percent every two years to the year 2012, capping the crumb rubber mix in asphalt to not less than 50 percent.

The Department of Public Works (DPW) recommends that the County support AB 338, and we concur. Support is consistent with the Board's adoption of the report of the Los Angeles County Integrated Waste Management Task Force on July 27, 1999. The report included a recommendation to address the State requirement of a 50 percent diversion of waste from landfills through both quantitative and qualitative measures. DPW anticipates that under AB 338, hundreds of thousands of waste tires would be diverted from landfill disposal. **Therefore, our Sacramento advocates will support AB 338.**

AB 338 was sent to the Senate Floor on August 17, 2004 and awaits further action. It is supported by the Alameda County Waste Management Authority, California Commission for Economic Development, California League of Conservation Voters, Californians Against Waste, Central Contra Costa Solid Waste Authority, Humboldt

Waste Management Authority, Natural Resources Defense Council, Norcal Waste Systems, Inc., Northern California Recycling Association, Northern California Rubberized Asphalt Technology Center, Planning and Conservation League, Sacramento County, Sierra Club California, Waste Management, and others. It is opposed by the California Asphalt Pavement Alliance and Construction Materials Association of California.

AB 2451 (Firebaugh), as amended on August 16, 2004, would require the California Department of Health Services to test and to regulate the lead in candy containing chili and tamarind fruit, and to order local health officers to remove any contaminated candy from stores. AB 2451 does not provide additional funding for these purposes. This bill is similar to AB 2297 (Vargas), which the County supported if amended to provide a funding source other than Childhood Lead Poisoning Prevention Act funds. However, AB 2297 failed passage from the Senate Health and Human Services Committee on June 23, 2004. Consistent with County support for AB 2297 if amended, **our Sacramento advocates will support AB 2451 if amended to provide funding from sources other than the Childhood Lead Poisoning Prevention Act funds.**

AB 2451 passed the Senate Appropriations Committee on August 17, 2004 by a vote of 7 to 3 and is awaiting consideration on the Senate Floor. It is supported by the Environmental Health Coalition, Los Angeles Unified School District, Planning and Conservation League, and Sierra Club California. It is opposed by the Asociacion Nacional de Fabricantes de Chocolates, Dulces y Similares, A.C.

SB 1559 (Bowen), which originally made a minor change in California law to conform with one provision of the proposed Streamlined Sales and Use Tax Agreement, was amended in the Senate Appropriations Committee on August 9, 2004 to clarify existing law and regulations to address what the author views as a loophole that has allowed some cities to engage in agreements with out-of-state retailers, whereby the retailer agrees to locate a facility that is not directly involved in sales in the city, and apply for a seller's permit for that location. As a result, all of its sales throughout California are subject to a situs distribution to the city under sales tax law rather than allocated proportionately to all jurisdictions in a county in which purchasers reside under the use-tax law.

In return for the retailer's decision to locate in the city, the city agrees to provide a subsidy to the retailer such as a partial rebate of the increased sales tax revenue. This practice increases the sales tax base of one city at the expense of all other local jurisdictions in the state, including counties, whose residents purchase from the retailer and would otherwise share in the use tax distribution. As amended, the bill would tighten the definitions for what constitute sales subject to the sales and use taxes, and by declaring the new definitions to be declaratory of existing law, make its provisions applicable retroactively.

It is not known how widespread this practice is. The instance that prompted the bill involves the City of Ontario in San Bernardino County, and Land's End, a Wisconsin retailer. It is impossible to estimate the fiscal impact, given the lack of data. However, the fiscal impacts are potentially large, given the large volume of sales by out-of-state retailers. By ending the practice, SB 1559 would protect the existing sales tax base of all local jurisdictions and prevent the practice from spreading to other jurisdictions. Support for SB 1559 is consistent with the County's position to oppose any further erosion of the County's tax base, including the sales tax. **Therefore, our Sacramento advocates will support SB 1559.**

SB 1559 passed the Assembly Appropriations Committee on August 12, 2004 by a vote of 11 to 6, and is awaiting consideration on the Assembly Floor. There is no registered support or opposition.

SB 1609 (Dunn) as amended on August 12, 2004, deletes a local jurisdiction's ability to deny affordable housing projects based on findings of over-concentration or because the jurisdiction's designated share of this housing has been met. Also, if an affordable housing project is located in an area identified as suitable for affordable housing and meets population density requirements, a local jurisdiction must approve the affordable housing project.

SB 1609 also changes the definition of "affordable housing development project" to include community care facilities, residential care facilities for the elderly, and emergency shelter facilities, and subjects all of these projects to the same decision requirements used for conventional affordable housing.

SB 1609 would expand court authority over local jurisdictions' decisions on "affordable housing development projects" so that if the local jurisdiction does not comply with a court order regarding the Anti-NIMBY Law which prohibits a local jurisdiction from disapproving a housing development project through the use of design review standards unless it makes written findings based upon substantial evidence in the record, the court may vacate the local jurisdiction's decision and direct it to approve the project within 30 days. If the local jurisdiction fails to comply within 30 days, the order of the court is deemed to be the action of the local agency unless the applicant consents to a different decision by the local agency.

According to the Community Development Commission, SB 1609 would make it easier for project proponents to obtain approval of "affordable housing development projects" because they would only need to meet the population density requirement in an area identified as suitable for affordable housing and harder for local planning agencies to disapprove such projects.

According to Regional Planning, SB 1609 would make it more difficult for a local land-use decision maker to deny or conditionally approve an "affordable housing

development project" that is inconsistent with the General Plan or local Zoning laws. SB1609 would elevate density and suitability of affordable housing in importance over the General Plan and Zoning laws. Also, changing the definition of affordable housing to include these facilities will require the application of additional fiscal and operational resources to the evaluation of these facilities. Thus, SB 1609 would erode the Board's land-use decision making ability and increase County costs.

Regional Planning recommends that the County oppose SB 1609, and we concur. Even though the bill's intent is to increase housing for low income and special needs buyers, it does so by reducing the Board's authority over local land-use decisions. Opposition to SB 1609 is consistent with previous Board policy to oppose legislation that infringes upon county board of supervisor's local land use decision-making authority. **Therefore, our Sacramento advocates will oppose SB 1609.**

SB 1609 is in the Assembly Local Government Committee and will be heard on Monday, August 23, 2004. In support are the Bay Area Council, California Coalition for Rural Housing, California Housing Council, Community Housing Improvement Systems and Planning Association, Community of Friends, Housing California, Jamboree Housing Corporation, L.A. Family Housing, Neighborhood Housing Services of the Inland Empire, Non-Profit Housing Association of Northern California, Oakland Community Organizations, Orange County Community Housing Corporation, Orange County Congregation Community Organizations, Peninsula Interfaith Action, PICO California Project, Southern California Association of Non-Profit Housing, and West Hollywood Community Housing Corporation. The bill is opposed by the American Planning Association, California Chapter, California Farm Bureau Federation, CSAC, Cities of Poway, Roseville, Santa Monica and Temecula, County of Santa Barbara, League of California Cities, and the town of Apple Valley.

Status of County-Interest Legislation

The Assembly concurred with Senate amendments to **County-supported AB 858 (Goldberg)**, which would prohibit public schools from using the term 'Redskins' as a school or athletic team name, mascot, or nickname beginning January 1, 2006, on August 18, 2004 by a vote of 43 to 28. This bill now proceeds to the Governor.

County-opposed AB 1470 (Vargas), which would have authorized an increase in IHSS wages and benefits by voter initiative, was amended on August 16, 2004 to authorize IHSS providers to receive wage payments via direct deposit. **Since AB 1470 no longer directly affects the County, we will drop our opposition to the bill and take no position.**

The Assembly concurred with Senate amendments on **County-supported AB 1663 (Dutra)**, which would extend the sunset date to January 1, 2010 for the current \$1 fee assessment on each vehicle registered within the County to finance the Task Force for

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Regional Auto Theft Prevention program, and require each county to issue a fiscal year-end report to the State Controller who will determine if the revenues are being used in a manner consistent with the authorization. AB 1663 was sent to the Governor on August 16, 2004.

The Assembly concurred with Senate amendments to **County-sponsored AB 2857 (Laird)**, which would protect public agencies from losing tax revenue, and ensure that taxpayers are not barred from an appropriate administrative reduction in assessments due to a decline in value, on August 17, 2004 by a vote of 46 to 33. This bill now proceeds to the Governor.

County-support SB 1343 (Escutia), which would require the Superintendent of Public Instruction to establish a task force to develop an infant and toddler care master plan to focus on the healthy development of children, passed the Assembly Appropriations Committee Suspense File on August 16, 2004 by a vote of 14 to 5. This measure now proceeds to the Assembly Floor.

We will continue to keep you advised.

DEJ:GK
MAL:JF:JL:EW:MS:b

c: Executive Officer, Board of Supervisors
County Counsel
Local 660
All Department Heads
Legislative Strategist
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants